GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:132
ANSWERED ON:03.03.2000
INCOME TAX EVASION BY MULTINATIONAL COMPANIES
RAMDAS ATHAWALE

Will the Minister of FINANCE be pleased to state:

(a):- whether a cases regarding evasion of Income Tax by multinational companies supplying defence aircraft-equipment has been noticed while conducting survey in January, 2000

(b):- Whether the Government are aware of the news-item captioned `do videshi companiyan aykar chori ke mamle mein fansi` appearing in `Hindustan`, dated February 1, 2000

(c):- if so, the facts of the matter reported therein;

(d):- whether such cases of income tax evasion by small and big companies of the country and the foreign companies have also been noticed during the last three years;

(e):- if so, the details of such companies alongwith the foreign companies;

(f):- whether any inquiry has been conducted in each of the cases; and (g):- if so, the details thereof alongwith the steps being taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI V. DHANANJAYA KUMAR)

(a) to (g):- A statement is being laid on the Table of the House

Statement referred in reply to Parts (a) to (g) of Lok Sabha Statted Question No. 132 for 3.3.2000on Income Tax Evasion by Multi National Companies.

(a) & (b):- Yes, Sir.

(c):- During the course of survey operations in respect of two multinational companies, viz M/s Snecma & M/s Sofema, it was found that the expatriate employees of these companies were being paid salary and perquisites abroad, apart from salary being paid in India, for services rendered in India and no tax was being deducted on salary and prequisites paid outside India. The post survey investigations are in progress to ascertain the exact amount of evasion of tax.

(d) & (e):- During the financial year 1998-99, it was noticed that a number of multinational companies did not deduct tax at source in respect of part of the salaries paid to their employees abroad for services rendered in India. The entire amount of tax, including statutory interest thereon, amounting to more than Rs. 640 crores has already been recovered by the Income Tax Department. The names of such companies are as per Annexure.

(f):- Yes, Sir.

(g):- Surveys u/s 133A of the Income Tax Act, 1961, have been conducted on a number of multinationalcompanies. Statutory interest has also been charged inall the cases. Further, penalty u/s 271C of the Act for failure to deduct tax at source has since been levied in a number of such cases, wherever applicable.

Annexure ANNEXURE

S.No. Name of the Company

(1) (2)

1. All Nippon Airways Co. Ltd.,

2. M/s Anritsu Corporation

3. M/s I.H.I

4. M/s Denso India

5. M/s Fuji Bank Ltd.
6. M/s EPDC

7 M/s Japan Broadcasting cor.

8. M/s Ericsson communication Pvt. Ltd.

9. M/s Alcatel Modi Networks Systems
10. M/s Alcatel South Asia Pacific Ltd.
11. M/s Cegelec India Ltd.
12. M/s Cegelec India Ltd. (Noida Office)
13. M/s Hyundai Engg. & Constn. Co.
14. M/s Daewoo Motors India Ltd.
15. M/s Banque Pariba
16. M/s Aeroflot
17. M/s Japan Radio Co. Ltd.
18. M/s Asahi Glas Co. Ltd
19. M/s Casio Bharti Mobile Communication Ltd.
20. M/s Fujitsu Limited
21. M/s Itochu Corporation
22. M/s Chori Co. Ltd.
23. M/s Escorts Yamaha Motors Ltd.
24. M/s Fuji Photo Film (Singapore)
25. M/s Hitachi Cables Ltd.
26. M/s Exedy Ceekay Ltd.
27. M/s Honda Motors Co.
28. M/s Kenwood
29. M/s Juky Singapore
30. M/s Hitachi India Trading Pvt. Ltd.
31. The Bank of Tokyo
32. The Sakura bank Ltd.
33. Japan Airlines
34. M/s Sanwa Bank Ltd. New Delhi
35. M/s National Panasonic
36. M/s Nissho Iwai corpn.
37. M/s Mitsubishi Corpn.
38. LG Electronics
39. M/s Samsung Electronics
40. The Commerical Bank of Korea Ltd.
41. The Bank of Nova Scotia
42. M/s Nokia Pvt. Ltd.
43. M/s Lifthansa Airlines
44. M/s Tokyo Motors Corpn.
45. M/s Sony India Pvt. Ltd.
46. M/s Sony Gulf
47. M/s Sony Corpn. Ltd.
48. M/s SWS India Holding Ltd.
49. M/s Sumi Motherson Innovative Engg. Ltd.
50. M/s Sumi Motherson Integrated Technologies Ltd.
51. M/s Motherson Sumi Systems Ltd.
52. M/s NEC Corpn.
53 M/s Marubeni Corpn. New Delhi.
54. M/s YKK India Pvt. Ltd.
55. M/s Mitsui Construction Co. Ltd.
56. M/s Mitsui Kensetsu India Pvt. Ltd.
57. M/s TS Tech co. Ltd.
58. M/s Sumitomo corpn.
59. M/s Sandan Vikas India Ltd.
60. M/s Toshiba Corpn.
61. M/s Marubeni Corpn. Project Office
62. M/s Marubeni India Pvt. Ltd.
63. M/s Mitsui Marine and Fire Insurance Co. Ltd.
64. M/s Terumo Corpn.
65. M/s Mitsubishi Electronic Corpn. India Liaison Office
66. M/s Showa Corpn. (Munjai)
67. M/s Morirqko Corpn. Ltd.
68. M/s Mitsui & co.
69. M/s KEIHN corpn.

70. M/s Subros Ltd.
71. M/s Sumitomo Electric Industries Ltd.
72. M/s Riso Kagako Corpn.
73. M/s Kenwood corpn.
74. M/s Lumax Industries Ltd.
75. M/s Yasuda Fire & Marine Insurance Co. Ltd.
76. M/s Matsushita Television & Audio India Ltd.
77. M/s Satake Corpn.
78. M/s Matsushita Electric works Ltd. (National Panasonic)
79. M/s Nissho Iwai Corpn.(Bombay Office)
80. M/s Toyota Tsusho Corpn.
81. M/s Pioneer Electric Corpn.
82. M/s Sumitomo Electric Industries Ltd.
83. M/s ICI India Ltd.
84. Nomura Trading Co. Ltd.
85. Mitsubishi Heavy Industries Ltd.
86. Kinsho Matai -chi Corporation
87. Sumikin Bussan Corporation
88. The Asahi Bank Ltd.
89. The Sumitomo Marine & fire Insurance Corpn.
90. The Sumitomo Bank Ltd.
91. Nichimen Corpn.
92. Tomen Corpn.
93. Hitachi G. Motor Eng. Ltd.
94. Sakura Capital Market
95. M/s Kawasho Corpn.
96. M/s Nagase & co. Ltd.
97. M/s Murate Machinery Ltd.
98. BPL Sanyo Ltd.
99. BPL Sanyo Finance
100. Yokagawa Bluestar
101. Indo Nissin Foods Ltd.
102. Juki Singapore Ltd.
103. Hitachi Koki.